



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 16, 2006

H.R. 5016 **Las Cienegas Enhancement Act**

As ordered reported by the House Committee on Resources on July 19, 2006

H.R. 5016 would provide for an exchange of federal and private land near the Las Cienegas National Conservation Area in Arizona. CBO estimates that implementing the bill would have no significant effect on the federal budget. Implementing the bill could change offsetting receipts and associated direct spending, but we expect that these effects would be less than \$500,000 and would largely offset each other over the next few years. Enacting H.R. 5016 would not affect revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments.

Under H.R. 5016, the Bureau of Land Management (BLM) would convey about 1,280 acres of federal land to a private landowner in exchange for about 2,400 acres near the conservation area. The bill would provide that the value of the properties to be exchanged would be equalized by cash payment and that such payment could exceed 25 percent of the value of the federal property. (Under current law, a cash equalization payment received as part of a land exchange cannot exceed that amount.) Any payment received by the federal government would be deposited into BLM's federal land disposal account and would be available, without further appropriation, to acquire land in southern Arizona.

Formal appraisals of the two properties have not been undertaken, but based on information provided by BLM, CBO estimates that the budgetary effects of the bill would be minimal. The federal government could receive a cash equalization payment (if the federal land is found to be more valuable than the private land), but we estimate that any such payment would be less than \$500,000. BLM would spend this amount, without further appropriation, over the next few years to acquire other Arizona lands.

According to BLM, the property to be conveyed by the federal government generates no significant offsetting receipts (a credit against direct spending) and is not expected to do so over the next 10 years. One-time administrative costs related to the exchange, such as

appraisal and mapping expenses, would be paid by the private landowner. Finally, we estimate that any change in cost to manage the conservation areas after the exchange would be negligible.

The CBO staff contact for this estimate is Deborah Reis. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.